



0000070678

THIS AMENDMENT:

E-00000A-02-0051
E-01345A-01-0822
E-00000A-01-0630
E-01933A-02-0069

ORIGINAL

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FEB 20 A 11: 57

REVISED SPITZER PROPOSED AMENDMENT #2

AZ CORP COMMISSION
DOCUMENT CONTROL

TIME/DATE PREPARED: 10:00 a.m. / February 20, 2003

COMPANY: Generic Restructuring - Track B.

AGENDA ITEM NO.: _____

DOCKET NO. E-00000A-02-0051 et al.OPEN MEETING DATE: February 21, 2003

PAGE 15, LINES 11 TO 26, DELETE FROM: "and that it not be limited..." TO END OF PAGE

PAGE 16, LINES 15.5 TO 18, DELETE: Sentence and Citation

Arizona Corporation Commission

DOCKETED

PAGE 20, LINE 9.5, DELETE: "whether a utility has an affiliate operating in the Arizona wholesale market or not"

FEB 20 2003

PAGE 23, LINE 2, AFTER: "may" INSERT: " , in the future, "

DOCKETED BY

PAGE 23, LINE 3, DELETE: "solicitation" AND INSERT: "issue"

PAGE 23, LINE 7.5 TO 11, DELETE FROM: "The RMR studies..." TO END OF PARAGRAPH

AND INSERT: "We will not require APS to solicit for bids to replace APS-owned RMR assets in this first solicitation. Rather, we will direct Staff to continue the RMR workshop process to devise, if possible, a specific proposal for soliciting and evaluating long-term RMR options."

PAGE 23, LINE 20.5, DELETE: "the" AND INSERT: "a"

PAGE 25, LINE 4, DELETE FROM: "We agree with..." TO END OF PARAGRAPH
AND INSERT: "We agree with APS, TEP and PGR that the RMR solicitation should occur separately from the initial solicitation. We note that Staff has recently conducted an RMR workshop and that information gained from that process will allow Staff to develop an RMR-specific solicitation that fairly evaluates transmission import constraints and load pocket issues. Of all electric issues, RMR is the most critical since it deals with the very hottest days our citizens face and the thinnest margins load serving entities face, therefore, we direct Staff to continue developing and RMR solicitation that fairly and judiciously tests the market while protecting Arizona citizens."

PAGE 28, LINES 5.5 TO 14.5, DELETE PARAGRAPH

AND INSERT: "The Yuma RMR situation is more complicated than either Phoenix or Tucson because the potential market is so much smaller and there is no uncommitted non-APS"

generation within the constraint. Nevertheless, we believe that long-term options to address RMR requirements in Yuma should be explored in the RMR workshops mandated by this decision."

PAGE 32, LINE 5.5, AFTER: "for this energy." INSERT: "As discussed previously, we believe a broader solicitation that includes economy energy purchases can provide APS with valuable information at little or no risk, since it can always refuse proposals not in the best interests of APS customers."

PAGE 32, LINE 5.5, AFTER: "This solicitation", DELETE: "is necessary so that APS can" AND INSERT: "will allow APS to"

PAGE 32, LINE 7.5, DELETE: "than relying on the spot market." AND INSERT: "for its customers."

PAGE 32, LINE 7.5 TO LINE 10, DELETE FROM: "APS has previously" TO "525, 526)"

PAGE 32, LINES 13.5 TO 14.5, DELETE: "than spot market purchases" AND INSERT: ","

PAGE 32, LINE 26, AFTER: "third-party" INSERT: "economy"

PAGE 34, LINES 19 TO 20, DELETE FROM: "and find it reasonable" TO "set forth in the Staff Report."

AND INSERT: except that consistent with our earlier discussion, we will exclude RMR."

PAGE 34, LINE 22.5 TO PAGE 35, LINE 2, DELETE: "with the addition of the necessary RMR" TO "set forth in the Staff Report."

AND INSERT: "but without RMR."

PAGE 35, LINES 11 TO 18, DELETE PARAGRAPH AND INSERT: "We will adopt Staff's estimates with the same exclusion of RMR. As with APS, this exclusion does not mean TEP should not consider proposals from merchant generators and others that may be able to reduce RMR hours in a cost-effective manner."

PAGE 36, LINES 24 TO 27, DELETE FROM: "with the addition of" TO "the Staff Report"

PAGE 37, LINES 17 TO 20, DELETE FROM: "with the exception of the amounts" TO END OF PARAGRAPH

AND INSERT: "excepting RMR amounts."

PAGE 39, LINES 1 TO 3, DELETE FROM: "it appears that" TO END OF PARAGRAPH AND INSERT: "the RFP process appears a more practical vehicle for this initial solicitation. This does not mean that auctions have been rejected, and we encourage APS and TEP to consider all viable solicitation options for subsequent or secondary solicitations."

PAGE 50, LINE 22.5, DELETE FROM: "exceeding their requirements" TO "own existing assets,"

PAGE 69, LINES 10 TO 12, DELETE FROM: "should increase the benefits" TO "Arizona's load pocket problems."

AND INSERT: "is not appropriate at this time but will be considered in a series of workshops sponsored by Staff for inclusion in any future Track B solicitations."

PAGE 69, LINES 13 TO 20, DELETE FINDINGS OF FACT 34 AND 35

PAGE 69, LINE 24 TO PAGE 70, LINE 3, DELETE FINDINGS OF FACT 37, 38 AND 39

PAGE 70, LINE 4, DELETE: "at a minimum."

PAGE 70, LINES 5 TO 8, DELETE FROM: "with the addition of the necessary RMR" TO "the Staff Report."

PAGE 70, LINE 9, DELETE: ", at a minimum,"

PAGE 70, LINES 10 TO 13, DELETE FROM: "with the addition of the necessary RMR" TO "the Staff Report."

AND INSERT: "as modified herein."

PAGE 70, LINE 14, DELETE: ", at a minimum,"

PAGE 70, LINES 15 TO 18, DELETE FROM: "with the addition of the necessary RMR" TO "the Staff Report."

AND INSERT: "as modified herein."

PAGE 70, LINE 19, DELETE: ", at a minimum,"

PAGE 70, LINES 20 TO 23, DELETE FROM: "with the exception of the amounts labeled" TO "set forth in the Staff Report."

AND INSERT: "as modified herein."
